

- Extend Higher Payments to Dutchess Hospitals and Ensure All Hospitals in the Region are Paid Fairly -

Washington, DC - The House Ways and Means Committee has passed legislation, the Children's Health and Medicare Protection Act (CHAMP Act), which includes provisions requested by Congressmen Maurice Hinchey (D-NY) and John Hall (D-NY) that will dramatically increase the reimbursements paid by Medicare to Benedictine, Kingston and St. Luke's-Cornwall hospitals and extend for two years the higher payment rates that all other Dutchess and Orange County hospitals are current receiving.

"For more than a decade, hospitals in Dutchess, Orange and Ulster counties have been treated unfairly by Medicare, which paid varying reimbursement rates that created competitive disadvantages for some hospitals," said Hinchey. "Medicare failed to recognize that the Hudson Valley is a distinct region and its hospitals should be treated as such, and also failed to acknowledge the fierce competition for skilled workers that our hospitals face from hospitals in the New York metropolitan area. The provisions that Chairman Rangel included in the CHAMP Act at my request provide the hospitals in all three counties with the same reimbursement rate that New York City hospitals receive. This is a huge boost for these exceptional hospitals and their employees."

Congressman John Hall (D-NY), who helped press for the reclassification, said, "Medicare has been treating St. Luke's Cornwall Hospital unfairly for years. This reclassification will strengthen the hospital's viability and place it on a level playing field with surrounding hospitals. Now that we're fixing the problem with its reimbursement rate, St. Luke's Cornwall will be even more competitive in providing quality patient care to New York's fastest-growing county."

Hospitals receive an adjustment to their Medicare reimbursement rates according to their geographic location, average wages, commuting patterns to other regions. The legislative provisions authored by Hinchey and included in the legislation make three key changes for Hudson Valley hospitals.

Under current law, Dutchess County hospitals and all Orange County hospitals except for the St. Luke's-Cornwall Hospitals are paid at the New York City rate, which is 132 percent of the national average. The legislation that allowed those hospitals to receive the New York City rate is due to expire on September 30, 2007, but the CHAMP Act extends their ability to receive the higher rate through September 30, 2009.

Under current law, St. Luke's Cornwall Hospitals in Newburgh and Cornwall are paid by Medicare at the Nassau-Suffolk County regional rate, which is 127 percent of the national average. As the result of a special CHAMP Act provision, these hospitals will soon receive the New York City reimbursement rate, a 4 percent increase.

Under current law, Kingston and Benedictine hospitals are the only hospitals earning the local reimbursement rate, which is 105 percent of the national average. As a result of a provision authored by Congressman Hinchey, both hospitals will now be paid at the New York City reimbursement rate, a 26 percent increase.

Hinchey said, "I'm grateful to Congressman Hall for his efforts to help make these new reimbursement rates possible. This shows the impact the New York House delegation can have when we work together. We are deeply grateful to Chairman Rangel for including these provisions in this bill."

The CHAMP Act was approved last week by the House Committee on Energy and Commerce and is expected to be brought before the full House the week of July 30th.

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